

member or any corporation of which any director is a shareholder or director is in any way interested in such transaction or contract, provided that such transaction or contract is or shall be authorized, ratified or approved either (a) by a vote of a majority or a quorum of the Board of Directors or of the Executive Committee without counting in such majority or quorum any director so interested or member of a firm so interested or shareholder or director of a corporation so interested, or (b) by a vote at any stockholders' meeting of the holders of record of a majority of all the outstanding shares of stock of the Corporation entitled to vote or by writing or writings signed by a majority of such holders; nor shall any director be liable to account to the Corporation for any profits realized by him from or through any such transaction or contract of the Corporation authorized, ratified or approved as aforesaid by reason of the fact that he or any firm of which he is a member or any corporation of which he is a shareholder or director, was interested in such transaction or contract. Nothing herein contained shall create any liability in the events above described or prevent the authorization, ratification or approval of such contract in any other manner provided by law; nor shall anything herein be considered as in any way affecting the rights of the Corporation or of any person interested, on account of any fraud in connection with any such transaction.

(3) The Corporation shall indemnify each director and officer of the Corporation, his heirs, executors, administrators and personal representatives, against any and all liabilities, judgments, fines, penalties and claims (including amounts paid in settlement) imposed upon or asserted against him by reason of his being or having been an officer or director of the Corporation or of any other corporation in which he served or serves as a director or officer pursuant to the written request of the Corporation (whether or not he continues to be an officer or director at the time of such imposition or assertion), and against all expenses (including counsel fees) reasonably incurred by him in connection therewith, except in respect of matters as to which he shall have been finally adjudged to be liable by reason of having been guilty of gross negligence or wilful misconduct in the performance of his duty as such director or officer. In the event of any other judgment against such officer or director or in the event of a settlement, the indemnification shall be made only if the Corporation shall be advised (a) by the Board of Directors, in case none of the persons involved shall then be a director of the Corporation, or (b) by independent counsel appointed by the Board of Directors, in case any of the persons involved shall then be a director of the Corporation, that in its or his opinion, as the case may be, such director or officer was not guilty of gross negligence or wilful misconduct in the performance of his duty, and, in the event of a settlement, that such settlement was, or, if still to be made, would be, in the best interests of the Corporation. If the determination is to be made by the Board of Directors, it may rely, as to all questions of law, upon the advice of independent counsel. The foregoing right of indemnification shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law or otherwise.

ARTICLE VI.

The number of directors shall, unless otherwise fixed by the By-laws, be twenty-six (26). Any vacancy occurring in the Board of Directors after these Restated Articles of Incorporation become effective and until the next annual meeting of the stockholders for the purpose of electing directors, shall be filled by such person as shall be designated by the surviving directors who prior to the effective date of these Restated Articles of Incorporation were directors of the constituent company of which the former director whose vacancy is being filled was also director; constituent company for this purpose shall mean one of Seaboard Air Line Railroad Company or Atlantic Coast Line Railroad Company, parties to the Plan of Merger of this Corporation.

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